G. R. S. 59] **125**

GENERAL AND REVENUE SECRETARIAT.

1907

(D.O.) /

File No. 125

Serial Nos. 1 to 13

Papers Filed.

Month _____

SUBJECT.

Revival of the System of accepting Cash deposits, on charitable Endowments at favorable rates of interest —

PREVIOUS REFERENCES	LATER REFERENCES

D.O. file No: 125 of 1907 of the system of accepting cash deposits on charitable endowments at favorable rates of interest.

LIST OF CONTENTS.

Serial No.	D. O. No. and date.	From whom	To whom	Brief Subject.
1	D.O. 20.11.07	Pte Secy to H.H.	Dewan	Enquiring whether it would not be desirable to consult the Resident on this matter of accepting the Endowments at favourable rates of interest
2	868 30.11.07	Dewan	Resident	Forwarding for favor of opinion papers relating to the matter in question.
3	D.O. 18.12.07	Resident	Dewan	Requesting to be informed of the circs under which Sir Seshadri Iyer had to hold the system in abeyance during the minority of His Highness.
4	D.O. 24.12.07	Under Secy	Secretary	Submitting the Residency D.O. (8: No: 3) for necessary information being furnished.
5	D.O. 28.12.07	Asstt Secy	Musgrave Secy	Requesting to be furnished with Sir Seshadri Iyer's minute &c, if any, on the subject.
6	29.12.07	Musgrave Secy	Asstt Secy	Informing that there are no papers in his office beyond what are already sent on the subject.
7	920 6.1.08	Dewan	Resident	Stating, in reply to 8: No: 3, that Sir Seshadri Iyer sent to the Office a draft in his own handwriting without any minute or other paper explaining the circs connected the order directing to hold the former system in abeyance during the minority of His Highness.

LIST OF CONTENTS.

Serial No.	D. O. No. and date.	From whom.	To whom.	Brief Subject.
8	236 / 11.1.08	Resident	Dewan	Furnishing his that for reasons stated, the ~~[illegible]~~ revival of the former system of receiving endowments at favourable rates interest may be fixed.
9	927 / 12.1.08	Dewan	Resident	Enquiring if his approval of the scheme of receiving irredeemable deposits for charitable purposes is conditional on the charities being in such case "designed to benefit the public without distinction of class or creed."
10	27 ? / 29.1.08	Hon'ble Mr Fraser	Dewan	Giving his further opinion in the matter.
11	963 / 3.2.08	Dewan	Private Secy	Forwarding papers on the subject for submn to H.H. with a draft letter for approval.
12.	H. H.'s order on Submn Note No. 367 / 9.11.07			"I sanction the proposal and approve of the draft submitted with the Dewan's D.O. letter of the 3rd inst." Laying down 6/2/08.
13	G. O. No. Jl No 400 / G. Fin. Jl No 84 dtd			8/2/08

Note: The entire file of demi-official correspondence, as per this list, is placed in the Secretariat file.

7/2/08.

Rec'd back on 21/4/08.

Rules re acceptance of fixed deposits on account of charitable endowments at favourable rates of interest

Will you kindly speak to me about this

D/o

F: No 613
30.11.07.

Mysore
20/11/7

Dear Mr. Madhava Rao

As this case involves a financial principle of appreciable importance, His Highness wd be glad if you would

Bangalore
30th Novr 1907.

No 868/4 files.

Dear Mr Fraser,

I herewith send a file of papers relating to a proposal to revive the system, which formerly obtained in Mysore, under which cash deposits on account of charitable endowments were received by the State at favorable rates of interest. Such deposits were formerly received at by the State at 5 per cent. The system was held in abeyance during the minority of His Highness the Maharaja. The question

A-

of reviving the system was considered after His Highness assumed the Government, but on the advice of Mr Bush, the late Comptroller, it was decided not to revive the system.

The question has been raised again and the arguments in favor of reviving the former practice are set forth in the memo annexed to the Council Resolution of the 8th November 1907. The Council are of opinion that such deposits may be received at a slightly less favorable rate of interest (viz 4 p.c) The fact that these deposits will not be repayable & will be available for profitable investments appears to me to be a very strong argument in favor of the proposal.

As the proposal involves a financial principle of appreciable importance, I shall be glad if you will favor me with your advice in the matter.

Yrs sincerely
(Sd) V. P. Madhava Rao

From the Resident

THE RESIDENT MYSORE

BANGALORE.

Dec.r 18.th

Dear Mr. Chandra Rau

Please refer

to your letter of

30.th Nov.r, with which

you were good enough

to send me the

file about the

proposed revival of

of reviving the system was considered after His Highness assumed the Government, but on the advice of Mr Basu, the late Comptroller, it was decided not to revive the system

The question has been raised again and the arguments in favor of reviving the former practice are set forth in the memo annexed to the Council Resolution of the 8th November 1907. The Council are of opinion that such deposits may be received at a slightly less favorable rate of interest (viz 4 p.c) The fact that these deposits will not be repayable & will be available for profitable investments appears to me to be a very strong argument in favor of the proposal.

As the proposal involves a financial principle of appreciable importance, I shall be glad if you will kindly favor me with your advice in the matter.

Yrs sincerely

Sd/ V. P. Madhava Rao

be ready too hereby
to have the papers
back & let you
know what I think
about the matter.

Yours sincerely

U. S. Grant

Camp Maddagiri
24. 12-07

My dear Balasundaram Iyer,

Please see the enclosed D.O letter from Mr Fraser asking for the various which led Sir Sheshadri Iyer to hold the former practice in abeyance - The Dewan desires to know whether ~~any~~ there are any papers which throw further light on this point - represented Ramachandra

G. R. S. 13]

Routine Notes

[To be used only for notes, requisitions, etc , not intended for permanent record]

Submitted

On personal enquiry in the Murrai Secretariat, I have ascertained that there are no other papers relating to G.O. No: C 16-24 Dy 14-3-95 available than the draft order by Sir K. Sheshadri Iyer which is already in the file. The general records also are unable to find the reference

C in Murrai file No 6 of 1902
'P' in - do

27/12

N. B —Should routine notes be written on small slips, the notes must be copied on slips pasted on this form

G P B—7,000—1-5-07

27/12

S. R. S.

28-12-07

My dear Sir

I send herewith a copy of G.O. No. C16-24 dated 14th March 1895 directing that no new deposits under the orders of Govt. Proc. No. 495-500 May 22 dated 9th August 1892 will be received by Govt. during the minority of H. H. the Maharaja Krishna Raja Wadyar Bahadur.

The Dewan wishes to know what the reasons were which led Sir K. Sankara Iyer to hold the order of 1892 in abeyance during the minority of His Highness and whether

there are any papers
in the Mudrai Dept
which will throw light
on the subject. The
Mudrai bile no 6 of 1902
does not contain the
~~contents~~ information
wanted. May I therefore
request the favour of your kind
letting me ~~know~~ know
know where Sir Sheshadri
Iyer's ~~no~~ minute can be found

John Sinclair
Esq
28/11/07

L. Anantasami Rao Esq

Recd 29.12.07

GOVERNMENT OF MYSORE

Bangalore,
29th Dec 1907

Dear Mr Ramayya,

In reply to your D.O of the 28th instant, I beg to inform you that there are no papers in my Office beyond what are contained in the Muzrai file no 6 of 1902 already sent by you. It is believed that the late Sir K Sheshadri Iyer sent the

F. R. S. 13]

Routine Notes

[To be used only for notes, requisitions, etc , not intended for permanent record]

To Users with Devonshire

There does not appear to be anything on record except a drab on the Ashendon Rector's writing about the ~~ab~~ suspension of the rule about 7% interest in 1895.

7507 4.1.08

AB
4/1/08

N B —Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form

(PB—7,000—1[illegible]07

PATAN BHAVAN,
BANGALORE

No 920 6th ~~October~~ January 1903.

1/12c

Dear Mr Fraser,

In regard to the question of receiving cash deposits on account of charitable endowments at favourable rates of interest, there is nothing on record to show what the reasons were which led Sir Sheshadri Iyer to hold the former system in abeyance during the minority of His Highness the Maharaja. From enquiry made in the office, I understand that Sir Sheshadri Iyer sent to the office a draft in his own handwriting (paper marked P) without any minute or other paper explaining the circumstances connected with the order.

No 2362

I now retransmit the file of papers
ent back with your D.O. letter of the 18th
ecember and hope to be favoured in due
ourse with your opinion on the question of
eviving the system.

I have the
honor
to be

From No 668.

THE RESIDENT MYSORE

BANGALORE.

No. 2362 - file & papers

11th January 1908.

Dear Mr. Ramana Rao

I have received your D/O letter dated 6th instant replying (in continuation of previous correspondence) to my inquiry about the reasons which led Sir K. Sheshadri Iyer to hold in abeyance during His Highness' minority the system of receiving cash deposits on account of charitable endowments at favourable rates, and retransmitting the file of papers for my opinion on the question of reviving the system. It appears that there is nothing on record to show what led the then Dewar to issue the order of 1895 and the question must now be considered on its merits in the light of the opinions and information recorded in your file. As a matter of principle I agree with the view of Mr. Basu that it is unsound apart from its not being a Hindu idea for the State "to go shares in the matter of private charity to buy a good name by throwing some of the burden on the public revenues". A native State may properly spend money on religious objects (e.g., the Muzrai Department) which find no place in the budget of a British Province but it seems to me that business should be kept distinct from philanthropy or religion and that to permit motives connected with the latter to influence the decision of any question which belongs to the business category, while no

no doubt permissible for a private capitalist, is incorrect for a Government dealing [illegible] objections of principle, I am to apply [illegible] to the revised system which it is [illegible] than to that which existed [illegible]. In the first place, I understand that it is intended [illegible] charities which in the opinion of Government are designed to benefit the public without distinction of class or creed(vide Second Councillor's note dated 28th January 1907) and, while the special rate of interest to be allowed by Government will only 4 per cent per annum, Government will not be required to repay the capital at any time. It is thus assumed in each case that the charity is one deserving of the support of the tax payers generally, and the Government will [illegible] use of unredeemable deposits for investment in productive public works (e.g., railways) at approximately the same rate of interest as they would have to pay for some years to come for loans in the open market. In the shape it has now assumed, the system appears to me to be one which it would be consistent with public interests for the Durbar to try.

This is 1st Councillor's remark 10/1/1908

Yours sincerely

C. Fraser

V. P. Madhava Rao, Esq., C. I. E.,

Dewan of Mysore.

No 927

Mohan Vilas
~~Bangalore~~ Madras
12th January 1908.

Dear Mr Fraser

With reference to your D.O. letter No.236 of ~~this date~~ the 11th inst., allow me to enquire if your approval of the scheme of receiving unredeemable deposits for charitable purposes is conditional on the charities being in each case "designed to benefit the public without distinction of ~~caste~~ Creed and creed". You quote this expression from the minute of the First Councillor (not second Councillor as stated in the D.O.) dated 28th January 1907. The conditions, as far as the scope of the charities is concerned, upon which the special terms are proposed to be granted are those contained in Govt Proceedings dated 9th August 1892. Neither the Council nor the Maharaja has proposed to place restrictions on the discretion of Government in the manner above indicated and it will be inconvenient to have their discretion so fettered. I will not trouble you with specifying the difficulties that will arise if

if we attempt to apply these conditions strictly in each case. Take for instance the charities referred to in the Council's proceedings and let us select the most liberal spirited among them, that of Doddanna's school in Bangalore City. It is intended, I believe, for Hindu boys. I do not know if Mahomedan boys also attend. In any case, I am sure Pariah boys are not admitted. Is the school then to be denied the benefit of this concession because it does not follow the principle of making no distinctions of caste and creed? In Sowar Totadappa's Chatram again, I think there is no provision for European and non-vegetarians. Would he be denied the benefit of this concession? The other charities mentioned in the memorandum submitted to His Highness under date 15th November 1907 are even more limited in their scope.

Yours Sincerely

F. N. 27

From No: 6998 3-07. (10)
Camp Tattur

THE RESIDENT MYSORE

~~BANGALORE.~~
Jan 29th 08

Dear Mr. Rudhawa Rao

Please refer to your D. O. letter of 13th January 1908, which accompanied your file on the subject of Government receiving deposits for charitable purposes. I fear I had not understood that it was proposed to revive <u>golden words</u> the definition of the charities on behalf of which deposits may be received, as given in the Order of 1892, unmodified by the numerous opinions of Councillors and others which have since been added to the record, and it seems to me that in the light of the valuable discussion of principles which has taken place, it would be both easy and desirable for Government to formulate more definitely the policy which will guide them in the disposal of such applications under the revised Rules. My views on the question of principle were given in the first part of my letter of 11th instant, and I do not think they are irreconcilable with the discovery of a form of words which would leave the discretion of Government sufficiently unhampered in the application of the Rules. The solution of the difficulty seems to be suggested by paragraphs 8 and 9 of the Councils' Memo dated 15th November 1907, and I would suggest for your consideration the amendment of Rule III under Order No. 492-500-22 dated 9th August 1902, to run as follows:-

"Deposits will be received only on behalf of Benevo-
"lent, Charitable or Educational Institutions or objects, <u>of a</u>

kind

"kind which may be considered legitimate objects of public ex-
"penditure government reserve to itself &c."

This would reserve to the Durbar the latitude, which the consider a Native Administration should exercise in spending one on charitable objects and would enable them to assist any charity of a kind which, under the rules of the Huzrat Department, it would be legitimate for them to found at public expense. But, if the object be one, which even the Huzrat Department could not undertake, then it seems clear, that the State should not assist it and it would appear wise to include in the rules qualifying words which will guide Government in determining whether a charity is or is not of "a character deserving encouragement". This would, I think, be the conclusion indicated, as much by the trend of opinion on your file, as by the principles with which I dealt in my former letter. If you think my advice likely to be of any further assistance, I will gladly discuss the matter on my return to Bangalore.

Yours sincerely

J. A. Fraser

V.P. Madhava Rao Esqr., C.I.E.,
Dewan of Mysore.

E.R.

P.S. The file is being returned separately.

(12)

No:963/4files+1Bofile

Bangalore,
3rd February 1908.

Dear Mr Macnaghten

As suggested in your D.O. letter of the 20th November 1907, I consulted the Resident on the question of receiving cash deposits on account of charitable endowments at favourable rates of interest. I herewith send for submission to His Highness the Maharaja, the D.O. correspondence that has passed between the Hon'ble the Resident and me on the subject. Mr. Fraser is of opinion that the modified system now proposed is one which it would be consistent with public interests for the Durbar to try. I also enclose for His Highness' approval, a draft of the Notification to be now issued.

The draft is on the lines of the Government order of 1892, with Mr. Fraser's amendment as well as the other modifications decided upon, viz., those as to rate of interest and non-payability of the deposit, duly incorporated.

(12)

H.E.'s order on the above
Note No. 367 of 19.11.07 sanc-
tioning the proposal to
receive Cash deposits on the
Charitable Endowments at
favorable rates of interest is
as follows: —

"I sanction the proposal
and approve of the Design
submitted vide the Secretary's
D.O. letter of the 3rd instant"
6.2.08.

Proceedings of the Government of His Highness the Maharaja of Mysore, (Muzarayi),—dated 9th August 1892.

MUZARAYI.

No. 492-500—22, DATED BANGALORE, 9TH AUGUST 1892.

ORDER.—As applications are being received from private gentlemen for the deposit of moneys in Government Treasuries on favorable rates of interest with a view of securing a permanent income for the charities, which they have already established or contemplate establishing within the Province, the Government of His Highness the Maharaja are pleased to issue the following rules on the subject:—

I. No deposit will be accepted for sums below Rs. 3,000 or above Rs. 1,00,000.

II. The rate of interest for such deposits shall in no case exceed 5 per cent per annum and shall be payable half-yearly.

III. Deposits will be received only on behalf of Benevolent, Charitable or Educational Institutions or objects, Government reserving to itself the right to determine, in each case, whether the charity on behalf of which application is made, is of a character that deserved encouragement.

IV. The person wishing to make a deposit under these rules shall execute a document to the Government binding his heirs, executors, administrators or assigns not to demand at any time the whole or any portion of the principal of the sum deposited, provided that it shall be lawful for the depositor, his heirs, executors, administrators or assigns, with the consent of Government, to withdraw the money and invest it otherwise for the benefit of the charity.

V. The Government are at liberty at any time to terminate the system of receiving deposits as above for charitable purposes.

A. SREENIVASACHARLU,
Secretary.

To—The Deputy Commissioners of Districts.
The Comptroller to the Government of Mysore.

1892.

GOVERNMENT OF MYSORE.

MUZARAYI.

PROCEEDINGS.

Dated 9th August 1892.

No $\frac{492\text{-}500.}{22.}$

Issuing certain rules in regard to the deposit of moneys on favorable rates of interest by private individuals in Government Treasuries on behalf of Benevolent, Charitable or Educational Institutions or objects.

Mysore Govt. Central Press, Bangalore.—12-8-92.—200.

13
Do fol no 125

GENERAL.

No Fl 1007--Gen. Fin 184-06, dated 12th February 1908

As applications are being received from private gentlemen for the deposit of moneys in Government Treasuries on favourable rates of interest with a view of securing a permanent income for the charities, which they have already established or contemplate establishing within the Province, the Government of His Highness the Maharaja are pleased to issue the following rules on the subject —

I. No deposit will be accepted for sums below Rs 3,000 or above Rs 1,00,000

II. The rate of interest for such deposits shall in no case exceed 4 per cent per annum and shall be payable half-yearly

III. Deposits will be received only on behalf of Benevolent, Charitable or Educational Institutions or objects of a kind which may be considered legitimate objects of public expenditure, Government reserving to itself the right to determine, in each case, whether the charity on behalf of which application is made, is of a character that deserved encouragement.

IV. The person wishing to make a deposit under these rules shall execute a document to the Government, binding his heirs, executors, administrators or assigns not to demand at any time the whole or any portion of the principal of the sum deposited

V. The Government are at liberty at any time to terminate the system of receiving deposits as above for charitable purposes.

By Order,
C. S. Balasundaram Iyer,
Offg. Secy. to Govt., Gen. & Rev. Dept.

GENERAL

No Fl 4007—Gen Fin 184-06, dated 12th February 1908.

As applications are being received from private gentlemen for the deposit of moneys in Government Treasuries on favourable rates of interest with a view of securing a permanent income for the charities, which they have already established or contemplate establishing within the Province, the Government of His Highness the Maharaja are pleased to issue the following rules on the subject:—

I. No deposit will be accepted for sums below Rs 3,000 or above Rs 100,000

II. The rate of interest for such deposits shall in no case exceed 4 per cent per annum and shall be payable half-yearly.

III. Deposits will be received only on behalf of Benevolent, Charitable or Educational Institutions or objects of a kind which may be considered legitimate objects of public expenditure, Government reserving to itself the right to determine, in each case, whether the charity on behalf of which application is made, is of a character that deserved encouragement.

IV. The person wishing to make a deposit under these rules shall execute a document to the Government, binding his heirs, executors, administrators or assigns not to demand at any time the whole or any portion of the principal of the sum deposited

V. The Government are at liberty at any time to terminate the system of receiving deposits as above for charitable purposes

By Order,
C. S. BALASUNDARAM IYER,
Offg. Secy. to Govt., Gen. & Rev. Dept.

G.R.S. 13]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

D. O. file 125 of 1907-8.

This was put by the Diwan's office in the Charitable Endowment file & may be returned to this office. Please also put up the Diwan's office Order Copy of Despatch dated 12-2-1908 & connected papers put up.

K.S. 21/4/08

To. The Superintendent of Census Operations

Received 23/4/08

N B.—Should routine notes be written on small Slips, the notes must be copied, or slips pasted on this form.

MGCPB—50,000—22-9-04